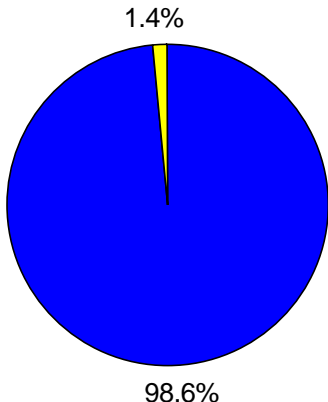


## *Employee Benefits*

### 89-02-Employer Contribution for Benefits

Fund/Agency: 001/89		Employee Benefits
Personnel Services	\$135,907,928	<p style="text-align: center;"><b>CAPS Percentage of Agency Total</b></p>  <p style="text-align: center;">1.4%</p> <p style="text-align: center;">98.6%</p> <div style="display: flex; justify-content: center; align-items: center; gap: 10px;"> <span style="color: blue;">■</span> Employer Contribution for Benefits             <span style="color: yellow;">■</span> All Other Agency CAPS           </div>
Operating Expenses	\$1,960,008	
Recovered Costs	(\$24,392,270)	
Capital Equipment	\$0	
<b>Total CAPS Cost:</b>	<b>\$113,475,666</b>	
Federal Revenue	\$0	
State Revenue	\$0	
User Fee Revenue	\$0	
Other Revenue	\$0	
<b>Total Revenue:</b>	<b>\$0</b>	
<b>Net CAPS Cost:</b>	<b>\$113,475,666</b>	
Positions/SYE involved in the delivery of this CAPS	0/0	

#### ► CAPS Summary

Agency, 89, Employee Benefits is a set of consolidated accounts that provide budgetary control for most employee fringe benefits paid by the County. Benefits paid for all County employees of General Fund agencies are expended from this agency, as well as most benefits paid for County employees in Non-General Fund agencies. Reimbursements are received from Non-General fund agencies for benefits paid on behalf of their employees.

- Group Health Insurance (Net Cost \$31.36 million):** Agency 89, Employee Benefits is responsible for paying the employer contribution for health insurance premiums for active employees. The employer share for health insurance premiums is 85 percent for individual coverage and 75 percent for two-party/family coverage. Premiums for retiree health insurance coverage are paid directly by the retiree. It should be noted that retirees receive a \$100 per month subsidy from the County for health insurance coverage. For further information on the retiree health benefits subsidy please refer to the ICAPS section for Fund 500, Retiree Health Benefits.

## *Employee Benefits*

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Fairfax County offers its employees and retirees two health insurance alternatives. The first is a self-insured multi-option alternative for active employees and retirees. The County has recently awarded a contract to Carefirst Blue Cross/Blue Shield to provide administrative services for the self-insured health insurance programs. The second alternative for employees and retirees includes vendor-administered Health Maintenance Organizations (HMOs). The County's current health insurance plan design is a result of revisions enacted in FY 1997. Further details on plan administration for the self-insured health insurance plan can be found in the discussion for Fund 506, Health Benefits Trust Fund.

- **Group Life Insurance (Net Cost \$1.27 million):** Life insurance coverage for employees, as approved by the Board of Supervisors beginning in FY 1999, provides group life insurance coverage at 1 times salary for all County employees funded solely through an employer contribution. If employees choose to accept life insurance coverage above this amount, they are responsible for paying the full premium based on an age-banded premium rating scale.
- **Social Security (FICA) (Net Cost \$31.03 million):** Compliance is mandated by the Federal Insurance Contribution Act, Internal Revenue Code, Revenue Ruling 94-29, which requires employers to pay a tax based on a percentage of an employee's total compensation. Contributions represent the employer portion of salary required to meet social security and Medicare for the County's employees. Contributions are calculated utilizing a combined rate which includes: the portion of salary contributed for Social Security benefits and the portion of salary contributed for Medicare benefits applied to a pre-determined wage base. Any change to the wage base or the Social Security rate is announced in October/November and takes effect January 1 of the upcoming year.
- **Retirement (Net Cost \$47.73 million):** Retirement expenditures represent the General Fund net contribution to the three retirement systems as set by an employer contribution rate. The employer contribution rate is determined annually based on an actuarial valuation of the retirement systems. The valuation takes into account: 1) unfunded liability; 2) investment returns; 3) administrative expenses; and 4) the portion of the employer share of payroll required to fund future retirement benefits.

An additional discussion and further details can be found in the ICAPS for Funds 600, 601 and 602.

- **Virginia Retirement System (VRS) (Net Cost \$1.05 million):** Beginning in FY 1996, VRS funding was provided in Agency 89 for 233 Health Department employees that were converted from State to County employment. Funding reflects the County share of payments made into the Virginia Retirement System for the converted employees. It should be noted that VRS payments are included only for these converted employees. As they terminate service with the County or transfer to other positions within the County, funding for VRS payments will be reduced.
- **Unemployment Compensation (Net Cost \$0.14 million):** Unemployment compensation payments reflect premiums paid to the State based on the actual number of former Fairfax County employees filing claims.
- **Capital Projects Reimbursements (Reimbursements of \$1.07 million):** Capital Projects reimbursements represent the reimbursable portion of fringe benefits for County employees who charge a portion of their time to capital projects.
- **Workers Compensation (Net Cost \$1.66 million):** Workers compensation funding reflects payments to Fund 501, County Insurance Fund, for General Fund premiums. For a more detailed discussion of the County Insurance Fund, refer to the ICAPS for Fund 501.

## *Employee Benefits*

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- **Employee Assistance Program (EAP) (Net Cost \$0.27 million):** Provision of EAP services, including assessment, intervention, diagnosis, referral, and follow-up for workplace issues as they arise is funded through a contract with an outside vendor.
- **Other Operating/Capital Equipment (Net Cost \$0.03 million):** The operating expenses of the Employee's Advisory Council (EAC) are funded utilizing 33 percent of the actual revenues realized from Vending Machine sales.

### ► **Method of Service Provision**

As part of the myriad of services offered here, most are provided by the employees of the Benefits and Payroll section of the Department of Human Resources, the Retirement Administration, and the Department of Finance. The services of the EAP are provided by a contracted vendor.

### ► **Performance/Workload Related Data**

Not applicable.

### ► **Mandate Information**

This CAPS is Federally or State mandated. The percentage of this CAPS' resources utilized to satisfy the mandate is 1 - 25%. The specific Federal or State code and a brief description of the code follows:

- Federal Insurance Contributions Act, Internal Revenue Code, Revenue Ruling 94-29